

# Procedures Manual



*Helping Students Pay for College*

# Michigan Competitive Scholarship Program

## TABLE OF CONTENTS

### INTRODUCTION

Michigan Competitive Scholarship Grant Program Summary .....	1
Program Administration .....	2-3
Campus Payments .....	4
Student Eligibility .....	5-12
Award Computation .....	13-26
Legislation and Rules .....	27-36

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section A – Program Summary**

<b>Program Title</b>	Michigan Competitive Scholarship (MCS)
<b>Enabling Legislation</b>	Public Act No. 208 of 1964
<b>Administrative Rules</b>	R 390.1551 – R 390.1571
<b>Purpose</b>	Competitive Scholarships were established by the state to foster the pursuit of postsecondary education and are awarded to students showing promise of satisfactory completion of postsecondary study. The Michigan Competitive Scholarship program is available to undergraduate students pursuing their first degrees at an approved Michigan postsecondary institution. The scholarship is based on both financial need and merit.
<b>Funding Sources</b>	<p>State general funds as appropriated annually in the Higher Education Appropriations Act.</p> <p>Federal Leveraging Educational Assistance Partnership (LEAP) - Special Leveraging Educational Assistance Partnership (SLEAP) funds are added to the existing state funds for the MCS program.</p>
<b>Administrative Office</b>	<p>Office of Scholarships and Grants Student Financial Services Bureau P.O. Box 30462 Lansing, Michigan 48909-7962 Toll-free number: 1-888-4-GRANTS (1-888-447-2687) Fax: (517) 241-5835 <a href="http://www.michigan.gov/osg">www.michigan.gov/osg</a> E-mail: <a href="mailto:osg@michigan.gov">osg@michigan.gov</a></p> <p>CONTACTS: Anne Wohlfert, Director Carla Foltyn, Deputy Director Marion Seelman, Office Supervisor</p>

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section B – Program Administration**

### **Institutional Eligibility**

Institutions must be eligible for listing in "The Directory of Institutions of Higher Education," published by the Michigan department of education. Michigan nonprofit, non-degree-granting postsecondary institutions must be listed in the federal publication "Postsecondary Institutions Eligible For The Pell Grants Program." Additionally, such institutions must be approved by the state board of education or the appropriate state of Michigan licensing agency, if applicable. Ineligible are institutions whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect.

### **Michigan Department of Treasury Responsibilities**

Receive student application information (Free Application for Federal Student Aid [FAFSA] and ACT score reports).

Determine eligible applicants and make awards to those students.

Provide weekly electronic enrollment verification rosters to colleges through the state Data Exchange Gateway (DXG).

Disburse funds to colleges.

Promulgate rules, establish policies and interpret both.

Collect refunds of scholarship funds if required.

Provide technical assistance to colleges.

Monitor program expenditures.

### **College Responsibilities**

Monitor student enrollment and report status through electronic file (DXG) process or through Monitoring and Adjustment function in MI Scholarships Online (MISO) program administration system.

Monitor students' total financial resources and adjust MCS awards. Adjust or cancel student awards due to changes in budgets, institution overrides, revised Expected Family Contributions (EFC), other tuition and fee specific awards,

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section B – Program Administration**

### **College Responsibilities (continued)**

other financial resources, GPA/SAP non-compliance, changes in enrollment status, or for withdrawals after enrollment and notify students of award adjustments (See “Award Adjustments” section).

Verify high school completion or admission under Ability to Benefit. If the student answered the high school completion FAFSA question originally or in correction, this will be accepted for MCS eligibility purposes. If the student leaves the question blank, there will not be a MISO system edit; however, OSG will expect schools (for audit purposes) to document those students who did not complete high school and who were admitted under Ability to Benefit.

Verify Michigan residency of recipients.

Apply funds to students’ accounts.

Balance year-end totals and, if refund owed, return funds to Treasury promptly. Refund checks should be made payable to the “State of Michigan.”

Identify the program on communications to the student.

### **College Records Retention**

Program records are to be retained in accordance with federal Title IV student aid requirements: a minimum of three (3) years from the date the college reconciled year-end funds with OSG.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section C – Campus Payments

### Payment Process

Payments are authorized by and issued from the Michigan Department of Treasury.

Payment amounts are based on the total available appropriation and are prorated within the state's fiscal year as specified in the annual Higher Education Appropriations Act:

- First quarter (Oct – Dec) = 40%
- Second quarter (Jan – Mar) = 40%
- Third quarter (Apr – June) = 10%
- Fourth quarter (July – Sep) = 10%

Payments to individual institutions are calculated based on the percentage of students verified for enrollment by that institution by the OSG established quarterly verification due date. Payments for the 4<sup>th</sup> quarter will be made once the school has verified all student records and balanced fund amounts for the year with OSG.

Note: For private institutions, the payment amounts for MCS and Michigan Tuition Grant (MTG) will differ from the award amounts for the programs. This is because \$1300 of a MCS award is paid by MCS funds and the remaining amount (\$800 if the student received a maximum award of \$2100) is paid by MTG funds. However, at the end of the year, the total payments for both MCS and MTG will equal the total award amounts for both MCS and MTG.

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section D – Student Eligibility**

### **Age Requirement**

There is no maximum age limit for eligibility; however, students must complete using the scholarship within ten years after his/her eligibility is determined.

### **High School Diploma**

The recipient must have received a high school diploma, GED certificate, or meet Ability to Benefit standards and be accepted for admission by the institution.

### **Enrollment**

Students must be enrolled at least half time at an approved Michigan postsecondary institution. Students must be pursuing an undergraduate degree.

Final enrollment status eligibility is determined by the “enrollment count date”, a date each term which is left to the discretion of each college, is applied uniformly and is available in written form for audit purposes. The enrollment count date may be the same as the refund period ending date.

### **Citizenship**

The recipient must be a U.S. citizen, a U.S. national, or a U.S. permanent resident who has an I-151 or I-551C. Or, the recipient must hold an Arrival-Departure Record (I-94) from the U.S. Department of Homeland Security (DHS) showing one of the following designations: “Refugee,” “Asylum Granted,” “Parolee” and/or “Victim of human trafficking,” T-Visa holder (T-1, T-2, T-3, etc.), or “Cuban-Haitian Entrant.”

### **Residency**

Eligible Michigan residents must have maintained continuous residency for 12 months, beginning July 1 of the preceding calendar year. The residency of a dependent student follows that of the student’s parent(s). A student meets the Michigan residency policy with no additional documentation required if

1. The student graduates from a Michigan high school and enters college the same year.
2. The student completes the FAFSA questions that relate to residency and the institution verifies that the following guidelines are met:

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **Residency (continued)**

- For dependent students, the student is considered a Michigan resident if the FAFSA lists a Michigan address and the parent(s) indicate in the FAFSA questions related to residency that they have been Michigan residents since July 1 of the preceding calendar year.
- For independent students, the student is considered a Michigan resident if the FAFSA lists a Michigan address and a Michigan driver's license, and the student indicates in the FAFSA questions related to residency that s/he has been a Michigan resident since July 1 of the preceding calendar year.

Note: If the date of residency on the FAFSA is July of the preceding year and the institution verifies that the date was July 1 of that year, the institution must notify OSG of the student's eligibility.

If the student does not meet one of the above conditions, then additional documentation is required. The following is a list of suggested documents institutions may use when trying to establish a student's residency. Institutions need to assure that the documentation is properly signed, certified, pertains to the residency period in question, adheres to the policy listed above, and is maintained in institution records.

- Michigan tax return
- Federal tax return with Michigan address
- Michigan Department of Human Services Annual Income Statement
- Military/ministry personnel certificate or letter denoting Michigan residency
- Voter registration
- Michigan vehicle registration
- Michigan tax statement (with location same as residency address)
- Michigan driver's license (cannot be the sole document)
- Utility bills



# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **Residency (continued)**

- Rent receipts
- Property tax assessment or payment records
- Statements from a third party, such as a community official who has personal knowledge of the student's whereabouts for the period in question. (Note: Use of statement(s) is reserved for cases where preceding items are not available.)

### **EXCEPTIONS**

1. Michigan residents who temporarily leave the state for less than 12 months will immediately meet the residency requirements upon permanent return to the state. This applies to parents of dependent students and to independent students. The policy allows a 12-month grace period and permits continued eligibility.
2. If both parents of a dependent student have been Michigan residents and both parents leave the state, the student is eligible to renew the award for one year provided the parents resided in Michigan during the calendar year of the award. If the parents moved out of state during the preceding calendar year, the student is not eligible to renew the award.

### **Satisfactory Academic Progress / Grade Point Average**

The recipient must be in compliance with the college's satisfactory academic progress (SAP) standard and have at least a 2.0 grade point average to be eligible for MCS. The college must use a SAP standard at least consistent with the criteria of academic progress needed to maintain eligibility for the federal student aid programs.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **Non-incarceration**

Incarcerated students are not eligible for award consideration. This includes persons assigned full time or part time to correctional facilities, community correction centers, residential homes, half-way houses, or under home detention. Those on electronic monitors are likewise ineligible.

### **Renewal Scholarship**

Continuing students will receive scholarship consideration if they have their FAFSA to the processor by the program priority date. Additional awards are offered to late applicants as funds permit. Students awarded a scholarship during the previous academic year are able to receive a renewal award if the applicant remains eligible (continues to demonstrate need, maintains SAP and at least a 2.0 GPA).

### **Application Information**

Students must demonstrate both financial need and merit. Need is determined through the Free Application for Federal Student Aid (FAFSA). Merit is determined by student performance on the ACT.

- FAFSA: Students filing their FAFSA by the program priority date are considered “on time” applicants. The FAFSA information is automatically released to OSG if the student's state of legal residence is Michigan. The student must file a FAFSA every year to be considered for the MCS.
- ACT: Applicants must take the ACT and achieve a qualifying score prior to entering college. Students take the ACT as part of the Michigan Merit Exam (MME) in their high school junior year. ACT scores from the MME or ACT scores from a national test date may be used to establish eligibility for MCS. The qualifying ACT score for the MCS program is a cumulative score. This is the total of the four individual summary ACT scores from English, Math, Science, and Reading, not the composite score reported by ACT. The qualifying score is currently set at 90 (cumulative score) by the Michigan Higher Education Assistance Authority (Authority). This score requirement will remain until there is an Authority action to change it based on OSG

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **Application Information (continued)**

recommendation. OSG will notify institutions of any change in the required score.

### **FAFSA Application Procedures**

The Free Application for Federal Student Aid (FAFSA) is the only application used to establish need for the Michigan Competitive Scholarship. In order for OSG to electronically receive the FAFSA information, the student's state of residence must be Michigan (MI). If the student's state of residence is blank or another state is listed, the SAR or ISIR must be corrected. Student record information is received from the Federal processor on a daily basis and uploaded to the OSG database.

### **FILING DATE**

For priority consideration, students should have a complete and correct FAFSA to the processor by March 1<sup>st</sup> (receipt date). The OSG offers awards in early spring on a date-order basis and continues until funding has been depleted.

### **FAFSA CHANGES**

Prior to the student being awarded, OSG accepts all FAFSA changes made by either the student or the institution. After the student is awarded, OSG accepts all FAFSA changes made by the institution but does not accept any FAFSA changes made by the student.

### **IMPORTANT QUESTIONS**

In addition to the questions necessary for federal processing, several questions on the FAFSA are pertinent to the state awarding process. The following is a summary of information that OSG uses from the FAFSA.

Note: To correct any inaccurate information, either the student or the institution can correct the FAFSA and the correction will be transmitted to OSG.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **FAFSA Application Procedures (continued)**

#### Social Security Number/Name/Date of Birth

The application must include the student's social security number, full name as it appears on the student's social security card, and date of birth.

#### Permanent Address

If any part of this question is left blank and OSG does not have a prior address for the student, the student's record will be marked with an edit. OSG will attempt to obtain a complete address for the student.

#### Student's State and Date of Residency and Parent's State and Date of Residency

The student's state and date of residency is used to determine an independent student's residency. An independent student must have maintained continuous Michigan residency for the previous 12 months, beginning July 1 of the preceding calendar year to be considered a Michigan resident.

The parent's state and date of residency is used to determine a dependent student's residency. The parent(s) of a dependent student must have maintained continuous Michigan residency for the previous 12 months, beginning July 1 of the preceding calendar year to be considered a Michigan resident. If the date of residency on the FAFSA is July of the preceding year and the institution verifies that the date was July 1 of that year, the institution must notify OSG of the student's eligibility.

#### Grade Level

This question must be answered in order to determine the student's budget.

#### First Bachelor's Degree

If the student has a bachelor's degree, the student is no longer eligible for a Competitive Scholarship.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **FAFSA Application Procedures (continued)**

#### Convicted of Possessing or Selling Illegal Drugs

Student eligibility for MCS is not affected by answering “yes” to this question or leaving this question blank.

#### College Choice

OSG uses the first Michigan college listed on the FAFSA in order to determine a student’s award eligibility.

In order to change the student’s college of choice, the following options are available:

1. If the student is not awarded, the college choice change can be done by either the student or the institution using any one of the following methods:
  - a. Updating the FAFSA
  - b. Sending an email or fax to OSG
  - c. Calling OSG
2. If the student is awarded, the college choice change can be done by the institution using any one of the following methods or by the student using only option b or c:
  - a. Updating the FAFSA
  - b. Sending an email or fax to OSG
  - c. Calling OSG

Note: Because OSG accepts all FAFSA changes made by the institution, institutions need to list their institution as the first Michigan college when making FAFSA corrections. If another Michigan college is listed first on the FAFSA, the institution making the corrections will either lose the award, if the student is awarded, or the student will never receive an award.

#### Match Flags

Citizenship: OSG uses the SSA Match Flag and the INS Match Flag to determine the student’s citizenship status. If the institution is verifying the student’s citizenship, the institution can either send the supporting documentation or contact OSG.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section D – Student Eligibility

### **FAFSA Application Procedures (continued)**

Loan Default: OSG uses the NSLDS Match Flag to determine if the student is in default on an educational loan. If the student is no longer in default, either the institution or the student will need to contact OSG. The student will need to provide OSG with the supporting documentation. If the institution is confirming that the student is no longer in default, the institution can either send the supporting documentation or contact OSG.

### Rejected FAFSA

If a student's FAFSA is rejected for any reason, the student must correct the Student Aid Report (SAR) and submit the corrections to the Federal processor.

### Professional Judgment / Dependency Overrides

Institutions exercise professional judgment and approve independent status for students who do not meet federal guidelines. The state will accept institutional PJ and DO determinations.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Limits**

Eligible applicants can receive an award equal to tuition and mandatory fees, financial need, or the maximum award amount, whichever is the least. Awards will be increased to the same maximum amount as the Michigan Tuition Grant program for students attending independent, nonprofit institutions.

Mandatory fees are defined as fees that are charged to all students and that are necessary for enrollment. Course specific fees, lab fees, and charges related to contact hours are not included as tuition and mandatory fee charges.

### **Award Parameters**

#### AWARD AMOUNT

The maximum award amount must be determined each year and be approved by the Authority. OSG will annually notify institutions of the award maximum.

The MCS statute allows for graduate students to receive MCS funds; however, funds have never been appropriated for this purpose.

Summer awards are subject to the availability of funds. Summer semester/term awards are issued to students who were awarded a monetary scholarship during the academic year. OSG considers summer as the final/trailer term of the year.

#### LONGEVITY

Competitive Scholarship entitlement ends when:

1. The student has received a baccalaureate degree.
2. The student has received 10 semesters or 15 terms of full-time assistance. Students may receive awards as a half-time or three-quarter-time student. Payments and “check count” are prorated for part-time enrollment. (See next section: CHECK COUNT)

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

**Award Parameters (continued)** Ten years have passed since the student was selected for the program. Selection usually occurs when the student graduates from high school.

### CHECK COUNT

Regulations governing the MCS program limit a student's eligibility in terms of full-time semesters/terms of financial assistance. Check counts are used to track the student's semesters/terms of eligibility. A student can receive a maximum of 60 check counts for undergraduate assistance. Assistance for a full-time semester is equal to 6 counts; a full-time term, 4 counts. Part-time assistance results in a prorated check count.

Check Count Values		
	Semester	Term
Full time	6	4
$\frac{3}{4}$ time	4.5	3
$\frac{1}{2}$ time	3	2

### Award Determination

#### EXPECTED FAMILY CONTRIBUTION

In the MCS program, the Expected Family Contribution (EFC) is based on the federal methodology. Because program demands far exceed resources, the Authority has approved increasing the federal EFC. This is done by including a minimum student contribution and inflating the EFC by a specified percentage.

The minimum student contribution is:

- \$900 income contribution for dependent freshmen (indicates grade level 0 or 1 on the FAFSA)
- \$1,100 income contribution for dependent upperclassmen (grade levels 2 through 5)
- \$1,500 EFC for all independent students

Data from the student's FAFSA is compared to the minimum student income contribution with the higher value



# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Determination (continued)**

being used as the student income contribution. For dependent students, the higher value is added to the student's asset contribution and the student's parent contribution to derive the "Calculated" EFC. For independent students, the higher value represents their Calculated EFC.

Once the Calculated EFC is determined, it is inflated by 25%, which is the current percentage approved by the Authority. The new EFC, which is determined by multiplying the Calculated EFC by 1.25, is called the "Factored" EFC.

#### *Examples:*

A dependent freshman student showing a student income contribution of zero and a student asset contribution of \$1,000. Since the student income contribution is less than the \$900 minimum student income contribution for a dependent freshman, the student's income contribution becomes \$900 for a total income and asset contribution of \$1,900. The \$1,900 student income and asset contribution is added to the student's parent contribution of \$5,000 for a Calculated EFC of \$6,900. The Calculated EFC of \$6,900 is then multiplied by 1.25 for a Factored EFC of \$8,625.

A dependent upper-class student showing a student income contribution of \$2,000 and a student asset contribution of \$1,000. Since the student income contribution is more than the \$1,100 minimum student income contribution for a dependent upperclassman, the student's income contribution remains at \$2,000 for a total income and asset contribution of \$3,000. The \$3,000 student income and asset contribution is added to the student's parent contribution of \$2,000 for a Calculated EFC of \$5,000. The Calculated EFC of \$5,000 is then multiplied by 1.25 for a Factored EFC of \$6,250.

An independent student shows a federal EFC of \$1,000. Since the student's income and asset contribution is less than the \$1,500 minimum contribution for an independent student, the student's income and asset contribution becomes \$1,500 which represents the student's Calculated EFC. The Calculated EFC of \$1,500 is then multiplied by

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Determination (continued)**

1.25 for a Factored EFC of \$1,875.

The OSG sends institutions weekly electronic verification files which will show the Calculated EFC, which includes the minimum student contribution, in column AG. The Factored EFC used to determine need will appear in column AH. (For details about the electronic file process, see the manual for the Data Exchange Gateway, or DXG.)

### **AWARD COMPUTATION**

Each year, all eligible postsecondary institutions must submit their cost of attendance budgets by the second Friday in March. Budgets are submitted electronically in the MISO system. Only expenses that have been approved by the trustees of the college may be reported. Budget increases approved after the March deadline cannot be used by OSG for award determination; however, the college may use the increased figures when monitoring for additional gift aid. When MCS awards are determined, financial need is computed by subtracting the Factored EFC from the applicable budget. This calculation applies to both dependent and independent students. The difference between the Factored EFC and the budget is the State need.

#### Institutional budgets

1. For institutions with dormitory facilities, the budget consists of tuition and fees, room and board charges established by the institution, plus books/personal allowance and travel allowance set by OSG. (Include only fees charged to all students.)
2. For institutions without dormitory facilities, the budget consists of tuition and fees established by the institution, plus room and board, books/personal, and travel allowance established by OSG.

Note: A college must be able to accommodate at least 10% of the full-time enrollment for campus residence charges to be included as part of the total budget. If a college cannot accommodate 10% of

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Determination (continued)**

enrollment, the standard amount set by OSG will be used.

The State need is used to determine the student's eligibility for the MCS. All initial awards are based on full-time enrollment for 2 semesters or 3 terms of the academic year. A MCS student attending a private institution can receive the same maximum award as a MTG student, and any amount over the MCS maximum is drawn from MTG funds.

OSG calculates initial awards. When the semester/term breakdown is uneven, the higher amount is applied to the first semester/term. An initial scholarship of \$501 is awarded as \$251 for semester 1 and \$250 for semester 2.

### **Award Adjustments**

Award adjustments may be entered on the online Monitoring & Adjustment Form, entered on the verification file, or sent to OSG. Problems with an electronic or online award adjustment should be sent by email to the support staff at [osg@michigan.gov](mailto:osg@michigan.gov) or by calling OSG.

### **WAIT LIST**

Most award increases or reinstatements can be done during the first 30 days of a semester/term. The 30-day period is based on the start of term date provided on the institution's Budget/Term screen. Increases requested after this time period will go to a wait list. Reinstatements based on a change in GPA or SAP status always go to a wait list. OSG will accept awards from the wait list if funds become available. Institutions may reduce an award at any time.

### **END OF CHECK COUNT**

A full-time semester uses 6 check counts, and a full-time term uses 4 check counts. When a student's remaining check count is less than 6 for a semester institution or less than 4 for a term institution, the student has less than a full payment remaining. A student's final award amount will be prorated based on the remaining check count, but the enrollment status must remain full time. The institution should not change this student's enrollment status to  $\frac{3}{4}$  or  $\frac{1}{2}$

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section E – Award Computation**

### **Award Adjustments (continued)**

time in the MISO system. If, for any reason, a student's award needs to be reduced further, institutions should contact OSG.

Students with a check count of 1 or 2 at a semester institution or 1 at a term institution are no longer eligible for funds.

### **MINIMUM AWARDS**

Although initial awards have a minimum of \$100 a year, award adjustments may reduce an award to less than \$100. In such cases, the award is paid in first semester/term.

### **CHANGE IN BUDGET**

Initial awards are based on institutional budgets. The student is assigned a budget based on the grade level reported on the FAFSA. The institution can change a student's budget using the online monitoring form, using Excel column AQ on the verification file, or by notifying OSG. Budget code numbers are defined on the Institutional Update screen in the MISO system. Awards are adjusted by the system when a budget change is made.

Community college awards are based on the in-district cost of attendance. If a student is initially awarded at the in-district rate but is an out-of-district resident, the financial aid office will need to correct the budget code to nine and the award will be reevaluated. If students are not eligible at the in-district rate, but are eligible if they are found to be out-of-district, the community college will need to provide OSG a list of these students. Institutions who report special budgets, budget codes 10-15, must provide OSG with a list of students who are enrolled in each special program. Once a FAFSA is received, the student's budget code will be updated to reflect the appropriate program.

### **INSTITUTION OVERRIDES/REVISED EFC**

Institutions have two options in reporting EFC changes to the State. The first option is to use the FAFSA. The second option is to use the online monitoring form or, Excel

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Adjustments (continued)**

columns AS, AT, AU, and AV on the verification file as a third option. When using the second option, institutions must report the following:

- For dependent students, parent contribution from income and assets, student contribution from income, student contribution from assets, and the revised federal EFC.
- For independent students, the revised federal EFC.

### **CANCEL AWARD FOR INELIGIBLE STUDENT**

An institution can cancel an ineligible student's award on the online monitoring form or on the verification file, Excel column AW. The award will be canceled for the current semester/term and for the remainder of the academic year. To save semester/term 1 and cancel semester/term 2, use the semester/term 2 verification file or select 2nd enrollment period on the monitoring form.

Note: The full-year award must be canceled if student does not meet statutory requirements, even after disbursement of funds.

The following is the list of the reasons for cancellation. The number associated with the cancel reason represents the number used on the verification file. If a number is not listed, it does not apply to the MCS program.

1. Student enrolled in a religious program. The institution's primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious order or sect (not eligible for MCS).
2. Student enrolled in a graduate program. Students must be pursuing an undergraduate degree.
4. Incarcerated. Program legislation states that students who are incarcerated are ineligible for an award.
5. Student Deceased.

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section E – Award Computation**

### **Award Adjustments (continued)**

6. Student Declined Award. A student may wish to decline an award and save eligibility for a later term, especially if the amount is low due to need or other gift aid.

7. Withdrew year / did not enroll. This is used for students who did not enroll or withdrew with a full refund.

8. Student did not complete verification. At institutional discretion, students who fail to respond to an institution's requests for verification documentation may not be eligible for program funds.

9. Did not meet Michigan residency. If verification indicates student does not meet Michigan residency requirements, the student is not eligible for program funds.

11. Loan in Default. Student cannot be in default on a federal student loan or owe a Title IV refund.

12. Receipt of Additional Aid/Resources. Institutions may wish to use this in place of the Other Aid sections if the student's full award will be canceled.

13. Does not meet citizenship requirements. Students who are not a U.S. citizen, permanent resident, or approved refugee are not eligible for program funds.

14. Cancellation by Institution. If a student is ineligible for multiple reasons, institutions can use this cancel reason.

15. Not a High School Graduate. Students who do not have a high school diploma, GED, or meet the Ability to Benefit criteria are not eligible for program funds.

16. Student graduated or completed program. Students with a bachelor's degree are no longer eligible for program funds.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### Award Adjustments (continued)

#### TUITION & FEES SPECIFIC AWARDS

The State award is restricted to tuition and fees only. If a student receives an additional tuition and fees specific award, the combination of the State award and other tuition and fees awards may not exceed need or tuition and fees, whichever is less:

*Example:*

a) Tuition & Fees	<u>\$ 5,000</u>
b) Tuition & Fees Specific Other Aid	<u>\$ 4,500</u>
c) Revised Need (a minus b)	<u>\$ 500</u>

Institutions can report tuition and fees specific amounts for the entire year or by semester/term. If reporting by semester/term, check the Term Only box located on the online monitoring form or indicate "Y" in column AZ on the verification file. If reporting for the entire year, the enrollment period should be marked as 1st.

Note: MCS recipients whose tuition and fees are paid by MET may use the MCS for educational expenses other than tuition and fees.

#### OTHER FINANCIAL RESOURCES

Initial awards may be reduced or canceled when a student has other financial resources, including scholarships, grants, and tuition reimbursement programs.

The following are not considered other financial resources:

- Educational loans/conditional loans
- Michigan Education Savings Plan (MESP)
- Michigan Education Trust (MET)
- Michigan Merit Award/Michigan Promise
- Part-time employment
- Veteran's education benefits
- Work-Study

It is the institution's responsibility to monitor a student's total financial resources and adjust State awards whenever over-awarding occurs. Adjustments are made on the online

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Adjustments (continued)**

monitoring form, or in Excel columns AX, AY, AZ, and BA through BE on the verification file.

Other resources may equal a student's additional need plus a \$300 buffer without affecting the State award. If the other resources are greater than the additional need plus the buffer, the State award must be reduced or cancelled. To evaluate the effect of other resources on a State award, subtract the Calculated EFC from the institutional budget. The institutional budget may differ from that used in determining the student's initial award. Because institutions must report their budget figures to the State in March, many institutions' Boards of Trustees have not set the new tuition and fee amounts. Institutions may use the budget that reflects the increased cost of attendance as approved by the Board of Trustees.

*Example:*

a) State Budget	<u>\$ 12,500</u>
b) Calculated EFC	<u>\$ 7,740</u>
c) Need (a minus b)	<u>\$ 4,800</u>
d) Other resources	<u>\$ 4,500</u>
e) Demonstrated need (c minus d)	<u>\$ 300</u>
f) Buffer	<u>\$ 300</u>
g) Revised need (e plus f)	<u>\$ 600</u>

If the student's award is greater than the revised need, the award is reduced to \$600.

The revised State award cannot be higher than the initial award. Institutions can report other financial resources for the entire year or by semester/term. For reporting by semester/term, the Term Only box located on the online monitoring form should be checked or a "Y" should be indicated in column BE on the verification file. For reporting for the entire year, the enrollment period should be marked as 1st.

The revised need must be figured using both methods (Tuition & Fees Specific Awards and Other Financial Resources) if other resources are tuition and fee specific. Using the two previous examples, the student's revised need of \$500 for the tuition and fee specific award is less than the revised need of \$600 for the other financial resources; so the



# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### **Award Adjustments (continued)**

award must be reduced to \$500 and the tuition and fee specific section must be completed.

Note: Other resources should be reported to OSG only when the MCS award amount is affected. When the award amount is not affected, the calculation should be kept in the student's file.

### **GRADE POINT AVERAGE AND SATISFACTORY ACADEMIC PROGRESS**

Students who do not meet institutional satisfactory academic progress (SAP) standards or who do not have a cumulative grade point average (GPA) of 2.0 are not eligible for this program. GPA/SAP adjustments are made using the online monitoring form or Excel column BG or BH on the verification file. Award adjustments, cancellations, and reinstatements affect the current term and subsequent terms. Students who raise their GPA/SAP to eligible standards based on summer school work may receive a full-year award if funds are available. Students who raise their GPA/SAP to eligible standards mid-year may receive an award for the remainder of the academic year if funds are available. Requests for reinstatement will go to the wait list until funds are available.

### **ENROLLMENT STATUS**

Initial awards are based on full-time enrollment. Awards for part-time students are reduced using the online monitoring form or Excel column BI on the verification file. These reductions are done on a semester-by-semester or term-by-term basis. Students enrolled at  $\frac{3}{4}$  time receive 75% of the original award. Students enrolled  $\frac{1}{2}$  time receive 50% of the original award. Students enrolled less than  $\frac{1}{2}$  time are not eligible. Part-time award reductions follow conventional rounding rules, .50 or higher rounds up to the nearest dollar.

- Full-time enrollment is 12 or more credit hours.
- $\frac{3}{4}$ -time enrollment is 9-11 credit hours.
- $\frac{1}{2}$ -time enrollment is 6-8 credit hours.

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section E – Award Computation**

### **Disbursement Procedures**

Payment should be credited to the student's account unless the student has already satisfied financial obligations to the college; in such cases, all or part of the award may be paid directly to the student.

Within the parameters of the student's need and enrollment status, division of the total award amount for the academic year is divided according to the institution's academic calendar (semesters or terms).

### **Refunds**

Final eligibility for payment within an enrollment period depends on the student's status at the end of the refund period.

### **WITHDRAWAL AFTER ENROLLMENT**

When a student withdraws from college or drops credits during the institution's refund period, the State award may need to be reduced. Enter data in the online monitoring form or Excel columns BJ, BK, BL, BM and BN on the verification file.

This calculation applies to current term only. To cancel subsequent terms, the box next to the statement "Check here if remaining terms(s) should also be cancelled" should be checked on the online monitoring form.

The student's award will be reduced based on the percent of the tuition and fees originally paid by the state award.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## Section E – Award Computation

### Refunds (continued)

If the State refund needs to be adjusted due to the federal refund policy, enter a negative number on line g or in column BN. Do the federal refund calculation first. If, after that calculation, the amount of funds remaining is less than the amount that needs to be returned to the state (e), the state refund will be reduced. This is done by entering the amount of funds remaining as a negative number (g). This increases the state award (h) and reduces the amount the institution must return to the state. If the amount of funds remaining after the federal calculation is greater than the amount that needs to be returned to the state, or if the student did not receive federal funds, nothing needs to be entered on line g.

*Example:*

a.	Actual enrollment period tuition and fees	<u>\$4,000</u>
b.	Original State award for enrollment period	<u>\$650</u>
c.	Percent of tuition and fees paid by State award (b divided by a)	<u>0.16</u>
d.	Amount of tuition and fees refund	<u>\$2,000</u>
e.	Amount of reduction to the State award (d multiplied by c)	<u>\$320</u>
f.	Adjusted enrollment period State award (b minus e)	<u>\$330</u>
g.	Adjustment to refund from Federal calculation	<u>-\$200</u>
h.	Federal adjusted State award (f minus g)	<u>\$530</u>

This calculation uses conventional rounding rules of .50 or higher rounds up to the nearest dollar.

Note: If a student withdraws during the full-refund period, adjust the award by changing the enrollment status to Did Not Enroll.

### Consortium Agreements

An institution may enter into a consortium agreement for the purpose of allowing a student to use their aid funds while studying at another institution. Provided the “home” institution is entered into an agreement on a student’s behalf that meets the requirements for Federal Title IV aid programs, the student may also use their MCS funds for

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **Section E – Award Computation**

### **Consortium Agreements (Continued)**

attendance at a “host” institution.

### **Appeal Process**

The college should direct students wanting to appeal an eligibility determination to address their inquiries to the Student Financial Services Bureau, Office of Scholarships and Grants.

# **MICHIGAN COMPETITIVE SCHOLARSHIP**

## **STATE COMPETITIVE SCHOLARSHIPS Act 208 of the Public Acts of 1964, as Amended**

AN ACT to grant scholarships to students enrolled in postsecondary education institutions; and to provide for the administration of the scholarship program.

**The People of the State of Michigan enact:**

### **390.971 State competitive scholarships; establishment; purpose.**

#### **Sec. 1.**

State competitive scholarships are established by the state to foster the pursuit of postsecondary education and awarded to students showing promise of satisfactory completion of postsecondary study through competitive examinations and a continued satisfactory academic record in a course of study in an eligible postsecondary institution in this state.

### **390.972 State competitive scholarships; administration of program.**

#### **Sec. 2.**

The administration of this scholarship program shall rest with the higher education assistance authority created by Act No. 77 of the Public Acts of 1960, being sections 390.951 to 390.960 of the Compiled Laws of 1948.

### **390.973 Competitive examinations; qualifying scores; scholastic achievement; certificates of recognition; renewal of scholarships; rules.**

#### **Sec. 3.**

(1) The authority shall conduct a competitive examination among eligible applicants for state competitive scholarships at times and places as determined by the authority. The authority may designate a competitive examination to be administered among eligible applicants for state competitive scholarships. The examination scores necessary to qualify for the competitive scholarship shall be established annually by the authority according to the funding available to meet the award levels established pursuant to section 6.

(2) The authority may also use scholastic achievement in determining award winners and shall issue appropriate certificates of recognition to persons awarded scholarships. The authority shall grant annual renewal of scholarships.

(3) Rules for the conduct of examinations for the award of scholarships and the procedures for the awarding of annual renewal scholarships shall be promulgated by the authority pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws. The authority shall define postsecondary institutions in the rules promulgated.

# MICHIGAN COMPETITIVE SCHOLARSHIP

## **390.974 Eligibility of applicant for award of first-year scholarship; duration of scholarship.**

### **Sec. 4.**

(1) An applicant is eligible for the award of a first-year scholarship if the authority finds that the applicant:

- (a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of any other state.
- (b) Has graduated from a high school, or is a student in good standing in a high school who will graduate at the end of the academic year, or an individual who has passed a graduate equivalency examination approved by the state board of education, or, if not a high school graduate, is recommended favorably by an appropriate educational institution as defined in rules promulgated by the authority.
- (c) Except for the applicant for a graduate scholarship, based upon the state competitive scholarship examination, the applicant shows promise of satisfactorily completing a course of study at an approved postsecondary institution of the applicant's choice in this state. For an applicant for a graduate scholarship, the authority shall determine the examination standards for eligibility.
- (d) Has complied with this act and the rules promulgated under this act by the authority.
- (e) Is not incarcerated in a corrections institution.

(2) An applicant who the authority determines is eligible for award of a scholarship under this act shall complete using the scholarship within 10 years after his or her eligibility is determined.

## **390.975 First-year scholarships; number awarded; renewal; duration; limitation on appropriation; award of residual scholarships.**

### **Sec. 5.**

(1) There shall be awarded for each academic year the number of first-year scholarships that may be financed through available money. Of this number not less than 3 scholarships shall be awarded to residents of each legislative district, and the balance of the scholarships shall be awarded to residents of the state at large.

(2) Each scholarship described in subsection (1) shall be renewed by the authority upon application of the student awarded the first-year scholarship without further examination if the applicant remains eligible under sections 4 and 6 and is in compliance with rules promulgated by the authority.

(3) A scholarship may be renewed for not more than 10 semesters or its equivalent in trimesters or quarters of undergraduate education, or the equivalent as determined by the authority for less than full-time but more than half-time students.

# MICHIGAN COMPETITIVE SCHOLARSHIP

(4) Beginning after October 1, 1988, a scholarship may be awarded for not more than 6 semesters or its equivalent in trimesters, quarters or terms of graduate education, or the equivalent as determined by the authority for less than full-time but more than half-time students. Money shall not be appropriated for purposes of this subsection for any fiscal year unless the amount appropriated under this act for that fiscal year for state competitive scholarships for undergraduate education equals or exceeds the amount appropriated for the state competitive scholarship program for the fiscal year ending September 30, 1987.

(5) A residual scholarship shall be awarded to a qualifying applicant who does not receive an initial scholarship award, but who may be eligible for an award later in the year or during an academic year when initial recipients relinquish their scholarship awards.

## **390.975a State competitive scholarships; award of honorary scholarships, publication of names.**

### **Sec. 5a.**

The authority may award honorary scholarship certificates to those applicants who would otherwise be eligible for a scholarship under this act but because of the lack of financial need are not eligible for a monetary scholarship. The names of the recipients of such awards shall be published the same as the names of the winners of monetary scholarships.

## **390.976 Duration and amount of first-year scholarship.**

### **Sec. 6.**

Each first-year scholarship is for a period of 1 academic year and the scholarship award shall not exceed the amount of tuition and fees for the full academic year as reported by the approved institution in which the applicant is enrolled, or an amount as the authority finds appropriate in relation to the applicant's own financial resources other than wages that may be due the applicant for part-time work performed by the applicant during the academic year, whichever is the lesser. For the purposes of determining the dollar amount of the scholarship, the financial resources of the applicant shall include the cash or equivalent resources of the applicant's parents available for the postsecondary education of the applicant, and allowance shall be made for other members of the applicant's family enrolled in an approved institution of postsecondary education, pursuant to rules adopted by the authority. If the amount of appropriated funds is insufficient to provide each student with the scholarship amount for which the student is eligible, the authority shall establish a maximum scholarship level for that academic year. Renewal scholarships shall not be less than the initial first-year scholarship awards unless predicated by changes in student or family financial resources.

## **390.977 Choice of institution or course of study; exception; accepting or continuing enrollment; notice; reports.**

### **Sec. 7.**

(1) An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the institution in this state which he or she desires to attend if the institution is an eligible postsecondary institution under rules promulgated by the Michigan higher education assistance authority, except that a

# MICHIGAN COMPETITIVE SCHOLARSHIP

student shall not use a scholarship award at an institution whose primary purpose is to prepare students for ordination or appointment as a member of the clergy of a church, denomination, or religious association, order, or sect. An applicant awarded a first-year scholarship or a renewal scholarship is not restricted in the choice of the course of study he or she wishes to pursue.

(2) An approved institution chosen by the applicant is not required to accept the applicant for enrollment, or once having admitted the applicant, to continue the applicant's enrollment. The approved institution accepting the enrollment of a state competitive scholarship award winner shall notify the authority of the recipient's enrollment and shall submit annually to the authority reports which are required and necessary to administer this act.

## **390.978 Basis for award.**

### **Sec. 8.**

State competitive scholarships shall be awarded by the authority on the basis of merit and financial need and without regard to race, sex, religion, color, or national origin.

## **390.979 Rules; reports by applicants; certification; payments.**

### **Sec. 9.**

The authority shall promulgate rules prescribing the reports to be made by the applicants awarded state competitive scholarships or annual renewal scholarships and the postsecondary institutions enrolling the applicants. Before payment of a state competitive scholarship or annual renewal scholarship is made to the applicant, the applicant shall certify in writing the name of the approved institution in which the applicant is enrolled and the applicant's intention to use the scholarship to pay for the tuition and fees to the approved institution. Prorated payments shall be made at the beginning of each semester or term to the student or to the postsecondary institution for credit to the student's account.

## **390.980 Higher education assistance authority; acceptance of gifts, annual reports.**

### **Sec. 10.**

The authority may accept gifts, grants, bequests, donations and devises, from whatever sources, of real, personal or mixed property and moneys for the purposes described in this act. The authority shall prepare an annual report of all gifts, grants, bequests, donations and devises for the governor and the legislature.

## **390.981 Allotment of scholarships to high schools; eligibility of students; implementation of awarding procedure; award of remaining scholarships.**

### **Sec. 11.**

(1) Four scholarships shall be allotted to each class "A" high school, 3 to each class "B" high school, 2 to each class "C" high school, and 1 to each class "D" high school. Scholarships allotted to a high school



# MICHIGAN COMPETITIVE SCHOLARSHIP

shall be awarded to those students having the highest competitive examination score and otherwise meeting all eligibility requirements of this act, including that of demonstrating financial need. The awarding of scholarships through this procedure shall be implemented only after sufficient additional funds are appropriated so as to not displace any student eligible for an award through the other awarding procedures established by this act.

(2) The remaining scholarships shall be awarded on a statewide, competitive basis.

**Enabling Statute:** Act No. 208 of the Public Acts of 1964, approved May 22, 1964

Amendments:

Act 153 of the Public Acts of 1965  
Act 103 of the Public Acts of 1966  
Act 141 of the Public Acts of 1966  
Act 186 of the Public Acts of 1966  
Act 65 of the Public Acts of 1970  
Act 27 of the Public Acts of 1973

Act 415 of the Public Acts of 1976  
Act 428 of the Public Acts of 1976  
Act 294 of the Public Acts of 1977  
Act 48 of the Public Acts of 1979  
Act 500 of the Public Acts of 1980  
Act 270 of the Public Acts of 1986  
Act 181 of the Public Acts of 2004

# MICHIGAN COMPETITIVE SCHOLARSHIP

## COMPETITIVE SCHOLARSHIP PROGRAM

(By authority conferred on the higher education assistance authority by section 3 of Act No. 208 of the Public Acts of 1964, as amended, being §390.973 of the Michigan Compiled Laws)

### R 390.1551 Definitions.

Rule 1. As used in these rules:

(a) "Academic year" means that period beginning August 1 and ending by June of the following year for colleges with 8 or 9-month calendars or August 1 to July 31 for colleges with 12-month calendars.

(b) "Act" means Act No. 208 of the Public Acts of 1964, as amended, being §390.971 et seq. of the Michigan Compiled Laws.

(c) "Authority" means the Michigan higher education assistance authority.

(d) "Award" means a competitive scholarship award.

(e) "Class A high school," "class B high school," "class C high school," or "class D high school" means a high school with enrollment classifications designated by the Michigan high school athletic association.

(f) "Default" means failure to comply with the terms of a loan guaranteed by the authority so that the authority finds it necessary to reimburse the original lending institution for the balance of the loan.

(g) "Full-time" means a student who is enrolled for 12 or more semester credit hours or equivalent in trimester or quarter hours or the equivalent of 24 semester hours or 36 quarter hours per academic year for institutions using credit hours to measure progress, but not using semester, trimester, or quarter hours.

(h) "Part-time" means a student who is enrolled for not less than 6, but not more than 11, semester credit hours, trimester hours, or equivalent in quarter hours or at least ½ the credit defined as full-time in subdivision (g) of this rule.

(i) "Parent" means the mother, father, mother and father, or adoptive parents.

(j) "Postsecondary institution" means either a Michigan postsecondary institution listed in the federal publication entitled "Postsecondary Institutions Eligible For The Pell Grants Program" or a Michigan postsecondary institution eligible to be listed in the publication entitled "Directory of Institutions of Higher Education," published by the Michigan department of education.

(k) "Renewal applicant" means an applicant for an award who received such an award for any enrollment period during the previous academic year.

(l) "Residual applicant" means an applicant who, for any reason, failed to receive monetary award assistance through this program during the previous academic year.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

### R 390.1552 Administration of program.

Rule 2. The authority shall administer competitive scholarships to eligible students registered as undergraduate or graduate students.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

### R 390.1553 Applicant qualification; examination.

Rule 3. (1) An applicant is eligible for an undergraduate scholarship if he or she qualified on the Michigan competitive scholarship examination. The examination shall be administered on dates designated by the authority.

# MICHIGAN COMPETITIVE SCHOLARSHIP

(2) The qualifying examination score shall be established annually by the authority.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1554 Eligibility.

Rule 4. (1) An undergraduate applicant is eligible for an award when the authority finds that the applicant meets the requirements of sections 4 and 7 of the act and meets all of the following requirements:

(a) Has resided continuously in this state for the preceding 12 months and is not considered a resident of any other state. A student who is not a United States citizen shall be a holder of the I-151 or I-551 immigration identification card signifying permanent residency in the United States. A refugee who meets the 12-month state residency requirement may be eligible for award consideration.

(b) Has graduated from a high school or meets 1 of the following requirements:

(i) Is a student in good standing in a high school and will graduate at the end of the academic year.

(ii) Is a high school student who completes all high school requirements before the student's class is scheduled to graduate and is recommended by the high school.

(iii) Is a high school dropout who does not have a high school diploma, whose class has graduated, and who is recommended by the college.

(iv) Is a high school dropout who does not yet have a high school diploma, whose class has not graduated, and who is recommended by the high school last attended.

(c) Has not defaulted on a loan guaranteed by the authority. Exceptions may be made if a defaulted borrower has made satisfactory repayment arrangements on the defaulted amount of the loan as determined by the authority.

(2) A graduate student is eligible for an award if the requirements in sub rule (1)(a) and (c) are met.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1555 Honorary scholarship certificate.

Rule 5. An undergraduate applicant is eligible for an honorary scholarship certificate if the applicant qualified on the designated competitive scholarship examination administered on dates designated by the authority.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1556 Monetary scholarship award; eligibility.

Rule 6. An applicant is eligible for a monetary scholarship award when a qualifying applicant's financial resources show a monetary need for such a scholarship as determined by the authority.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985.

## R 390.1557 College enrollment.

Rule 7. An applicant is eligible for an award when the authority determines that the applicant has actually been accepted for enrollment at a Michigan college or university as approved by the department of education.

# MICHIGAN COMPETITIVE SCHOLARSHIP

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1558 Full- or part-time status.

Rule 8. (1) An applicant is eligible for a scholarship if the applicant is enrolled or accepted for enrollment as a full-time student.

(2) An applicant may be eligible for a competitive scholarship if enrolled or accepted for enrollment as a part-time student for at least half-time, but less than full-time, credit.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1559 Application deadline date.

Rule 9. An applicant is guaranteed scholarship consideration only if the applicant meets the deadline date established by the authority. An applicant who submits application materials after the deadline date may be considered if funds are available to assist students who submit late materials.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985.

R 390.1560 Distribution of awards.

Rule 10. (1) Scholarship awards to high school seniors shall be distributed first by legislative district, which shall include not less than 3 awards for each of the representative and senatorial districts, if students qualify.

(2) Four scholarships shall be allotted to each Class A high school, 3 to each class B high school, 2 to each class C high school, and 1 to each class D high school. Scholarships allotted to a high school shall be awarded to those students who have the highest competitive scholarship examination score and otherwise meet all eligibility requirements.

(3) The remaining scholarships shall be awarded statewide on a competitive basis in descending test score order.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1561 Tuition and fees.

Rule 11. Scholarship awards are to be used to defray the costs of tuition and fees. Tuition and fee charges are defined as those charges required of all students who enroll at an institution and which have been promulgated in the catalog of the institution, and which are certified by the institution prior to the scholarship recipient's enrollment. A deadline date is set each year by the authority for receiving increases in tuition and fee charges.

History: 1979 ACS 2, Eff. Mar. 22, 1980.

R 390.1562 Payment of scholarship awards.

Rule 12. A scholarship recipient shall receive the award from the authority after certifying the name of the postsecondary institution in which the recipient is enrolled. Payment of scholarship awards shall be prorated and shall be forwarded to the postsecondary institution in which the recipient is enrolled.

# MICHIGAN COMPETITIVE SCHOLARSHIP

Payment shall be issued only after the postsecondary institution has certified that the student is still in good standing.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1563 Rescinded.

History: 1979 ACS 2, Eff. Mar. 22, 1980; rescinded 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1563a Institutional eligibility.

Rule 13a. (1) The eligibility of a degree-granting institution for listing in "The Directory of Institutions of Higher Education," published by the Michigan department of education, is required to be eligible for participation in the state competitive scholarship program.

(2) Michigan nonprofit, non-degree-granting postsecondary institutions shall be listed in the federal publication "Postsecondary Institutions Eligible for the Pell Grants Program" to be eligible for participation in the state competitive scholarship program. Additionally, such institutions shall be approved by the state board of education or the appropriate state of Michigan licensing agency, if applicable.

History: 1985 MR 8, Eff. Aug. 30, 1985.

R 390.1564 Transfer of recipient to another eligible institution.

Rule 14. A scholarship recipient who decides to transfer to an eligible institution other than the one identified at the time of application may do so at any time. Changes in college plans which require receiving a larger state scholarship shall be honored to the extent that funds are available. A scholarship award shall be decreased in amount if necessitated by a reduced budget or reduced tuition and fee charges of the applicant's revised institutional choice.

History: 1979 ACS 2, Eff. Mar. 22, 1980.

R 390.1565 Release of award amounts to institution; dismissal or withdrawal of recipient from institution.

Rule 15. (1) A scholarship recipient shall release scholarship award amounts to the institution in order that the institution concerned may refund any allowable amount directly to the authority if the student withdraws from college.

(2) A scholarship recipient who is dismissed or leaves a postsecondary institution before completion of a full enrollment period and who is not eligible for a postsecondary institution refund does not have to repay to the authority the amount of the scholarship award which was issued for that enrollment period.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

R 390.1566 Failure of recipient to enroll; refund.

Rule 16. A scholarship recipient who does not enroll in a postsecondary institution after receiving an award will have the full amount of the award cancelled.

# MICHIGAN COMPETITIVE SCHOLARSHIP

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1567 Reinstatement and relinquishment of awards.

Rule 17. (1) A scholarship recipient who ceases to be enrolled at least half-time may request an award reinstatement upon returning to school during the same academic year for which the award was granted. The scholarship reinstatement is dependent upon the availability of funds and the continuing eligibility of the recipient.

(2) A scholarship recipient who relinquishes the award for any reason and does not return to school during the academic year for which the award was granted shall reapply to receive consideration for future academic years.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1568 Renewal awards.

Rule 18. Upon application by the student awarded a scholarship during the previous academic year, a scholarship shall be renewed by the authority without further examination if the applicant remains eligible and is in compliance with these rules. To be eligible for a renewal award, an applicant shall maintain a 2.0 cumulative average, which is equivalent to a cumulative C average, and maintain satisfactory academic progress. Each applicant shall submit the application materials which are required by the authority.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1569 Residual awards.

Rule 19. A qualified student who failed to receive an award the previous academic year may be eligible for a scholarship award during any year if funds are available after renewal awards have been granted.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1570 Amount of renewal awards.

Rule 20. A scholarship recipient who is eligible for a renewal scholarship may receive an amount that is more or less than the amount received during the previous year depending upon financial need, but the amount shall not be more than the maximum award for that academic year. In addition, the renewal scholarship recipient shall not receive less than the amount received during the previous year, unless the family financial circumstances or the applicant's financial circumstances have appreciably changed, according to a financial statement approved by the authority, or if the student transfers to a less expensive eligible postsecondary institution.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.

## R 390.1571 Recipient rosters; institution reports.

## **MICHIGAN COMPETITIVE SCHOLARSHIP**

Rule 21. (1) Each postsecondary institution which has accepted scholarship recipients for enrollment shall be furnished a roster of recipients who indicated their intent to enroll at that institution. The institution shall certify that the scholarship recipient has actually enrolled at least half-time before disbursing the enrollment period payment. A duplicate copy of the roster shall be forwarded with the original and shall be used by the institution to indicate whether a scholarship recipient enrolled at least half-time. A copy of the completed roster shall be returned to the authority.

(2) Near the end of the academic year, each institution accepting scholarship recipients shall receive a roster mailed by the authority. The institution shall certify eligibility of renewal candidates and shall identify students who have achieved less than a 2.0 cumulative academic average and students who have not maintained satisfactory academic progress. Any recipient who has a cumulative academic average less than a 2.0 or who does not maintain satisfactory academic progress, as reported by the institution of latest attendance, is not eligible for a renewal award, but may become eligible as a residual applicant upon certification by the institution that the student has achieved a cumulative 2.0 average and is meeting the satisfactory academic progress requirement.

History: 1979 ACS 2, Eff. Mar. 22, 1980; 1985 MR 8, Eff. Aug. 30, 1985; 1991 MR 8, Eff. Aug. 30, 1991.